

United States but, indeed, for the entire world.

He talks about the rising budget deficit, which this President supports at \$420 billion more this year, and references the extraordinary trade imbalance, now at a half a trillion dollars, the highest in American history, and he says, these deficits could set off a sudden fall in the dollar and reverse any chance of global recovery.

And others say that these conditions of a high-budget deficit and an extraordinary trade deficit will result in the quiet erosion of American dominance of the world economy.

Similarly, an economist with the New York Times had an article this week, the title of which is U.S. and Trade Partners Maintain Unhealthy Long-term Relationship, and the Institute of International Economics, a center of expertise in this field, says, America's constantly rising deficits, our budget deficit and trade deficit, are a disaster in the making. No one could say it more clearly.

□ 2015

He says, this substitute for Americans, the positive side of the equation is they get to consume more than they produce. And maybe that works for a short time. But the down side of the United States is that most of their imports are purchased on credit extended by trading partners. And that indebtedness is now over \$4.4 trillion, nearly twice what it was just 4 years ago and an increasingly costly arrangement for Americans and a potentially risky one of the Nation's foreign creditors, which means that another institute has agreed with what the head of the international monetary funds as said.

Experts are saying that they are alarmed that this set of arrangements could unravel abruptly with the dollar falling in value and the dollar rising and with inflation rising. The dollar falling, inflation rising, that happened during the Great Depression in the last century.

The United States, this article goes on to say, is caught in a gradual, almost imperceptible deterioration brought on by the yawning deficit in trade and other international transactions and the deterioration is going to continue for a long time. No one knows how this situation will unwind, but it certainly will.

The current account deficit was equal to 5.7 percent of domestic activity in the second quarter and this was a record and unusually rapid rise from the last quarter. In fact, the trade deficit has risen to a level of \$477 billion, a 10-percent rise just over last year. Again, this article says the dollar in response would have to fall in value, forcing prices to rise in the United States.

Mr. Speaker, I know my time has expired, but let me say that the U.S. is headed in the wrong direction. We need a fundamental change. That change can take place on November 2. Let us put adults in charge.

The SPEAKER pro tempore (Mr. McCOTTER). Under a previous order of the House, the gentleman from Georgia (Mr. NORWOOD) is recognized for 5 minutes.

(Mr. NORWOOD addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

EXCHANGE OF SPECIAL ORDER TIME

Mr. McDERMOTT. Mr. Speaker, I ask unanimous consent to claim the time of the gentleman from Georgia (Mr. NORWOOD).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

FISCAL DANGER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. McDERMOTT) is recognized for 5 minutes.

Mr. McDERMOTT. Mr. Speaker, the administration has America leading with its chin. You heard the last speaker talk about it, and I am going to talk about the same thing. We are going to get hurt.

This administration has America going hat in hand from country to country looking for money and they intend to just keep on doing it. They cannot make manufacturing jobs, but they have manufactured the largest trade deficit in history. They cannot engineer an economic recovery, but they have engineered the largest budget deficit in history.

They cannot extend the lifeline to unemployed workers but they can expand the number of workers who have exhausted their unemployment benefits to the highest level in 60 years.

It is just 40 days until the election, and the President needs a big win to try to make America forget about Iraq. So instead of setting policy, we are masking massive problems. A lot of Americans here talk about a trade deficit and do not see the connection to their own lives. The administration has run up the largest trade deficit in history and it exports money and it exports jobs right out of the United States economy. It is not called outsourcing. It is called out of control.

The mess this administration has made in foreign trade has claimed 670,000 U.S. jobs in manufacturing, farming and fishing, another 860,000 U.S. jobs in service industries have shifted offshore just in the last 2 years. One and a half million jobs is bad enough, but the story gets worse.

The administration refused to solve its foreign trade issues. So U.S. exports are being hit by tariffs by the European Union and these penalties will rise 13 percent in the next month. The administration knows what is wrong but it will not act to fix it. Canada, Brazil and other nations have won

cases in court about our foreign trade practices. But like so much else, this administration remains in denial and U.S. products could be hammered by another \$3 billion in tariffs.

These penalties can be avoided, but not by an administration that governs by press release. Instead, the administration's failure to act will make U.S. products more expensive and the U.S. economy less competitive in the world market. That is a formula for losing more U.S. jobs.

A new study shows American multinational corporations booked a record \$149 billion worth of profits off shore in countries known to be tax havens. Do not blame the corporations. The U.S. Tax Code rewards U.S. companies for exporting their balance sheets, in effect. The administration knows. The Republican majority knows. They do nothing about it. We need a national policy that puts America first, but we do not have it and we will not get it under this administration. Instead, the administration gives us rhetoric, pledging allegiance to the middle class, but a reality that rewards the wealthy and ignores the consequences.

The administration holds up the middle class when talking about massive tax giveaways passed. "Hold up" is the right term. The Republicans gave away another \$149 billion today. There is no money to pay for it, but they did it anyway. The average middle class household will get a tenth of what the wealthy are getting. It is \$169 for average Americans compared to \$2,000 for the wealthy; \$169 will not make college more affordable for middle class Americans. It will not make a gallon of gasoline less expensive. And \$169 will not provide the business with resources to expand or re-training dollars to inspire Americans to embrace a changing global economy.

This is another bait and switch tax giveaway. It will reward the rich and mortgage America's future.

The administration has America on target to be \$10 trillion in debt in the next 10 years. Nations that are not democratic and never will be are buying huge chunks of America's debt. Do not doubt for a moment that nations that do not share our values cannot exert enormous pressure over America when it holds trillions of dollars of our debt. They can and they will.

The book "After The Empire" by Emmanuel Todd is like a crisis call for emergency action. Every modern nation has three foundation blocks, military, political and economic. Lots of countries have big and well-armed armies. We certainly do. Lots of countries have established and effected political structures, democratic or otherwise.

Only America has had an unequaled economic foundation. It is at risk from the crushing debt burden this administration has pursued with abandon. Ten trillion dollars of debt in the next 10 years. What kind of a military can you afford with a \$10 trillion debt when you

have to borrow across the water to pay for your military? What kind of Social Security can we afford with a \$10 trillion debt? What kind of domestic policy?

The administration is charting a course that will be the end of us if we do not have a regime change on the second of November.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Mississippi (Mr. WICKER) is recognized for 5 minutes.

PERSONAL EXPLANATION

Mr. WICKER. Mr. Speaker, on rollcall vote Nos. 457–465, I was unavoidably absent. Had I been present, I would have voted as follows:

On Nos. 457–461, “no”; on Nos. 462–463, “yea”; on No. 464, “no”; on No. 465, “yea.”

EXCHANGE OF SPECIAL ORDER TIME

Mr. BURGESS. Mr. Speaker, I ask unanimous consent to claim the time of the gentleman from Mississippi (Mr. WICKER).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

WORLDWIDE TERRORISM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. BURGESS) is recognized for 5 minutes.

Mr. BURGESS. Mr. Speaker, just a few hours ago in this House, we were addressed by the Prime Minister of the country of Iraq, Dr. Allawi. Dr. Allawi came to this body to speak to us here. He wanted to deliver a message. He wanted to deliver a message of success that we are indeed succeeding in the country of Iraq. He came here to enumerate three principles.

He wanted to tell America thank you, thank you for giving us our country back. He wanted us to know that Iraqis knew that the world indeed is better off with the regime change that occurred in Iraq and that America did the right thing.

He also wanted us to know that they were working and would continue to work to make certain that they, the government of Iraq, got it right on the ground in Iraq. It has not been easy. It has not been without a price; and Dr. Allawi allowed that as America has mourned its losses, they have mourned their losses in Iraq as well. But this is the cost of freedom.

As Harry Truman once said, If you want peace, you better be ready to fight for it.

Mr. Speaker, Dr. Allawi also talked about elements of defeatism that creep into conversation and how pernicious that defeatism is. He pointed out that within the past year's time, within the country of Iraq a Constitution has been adopted, a Constitution that provides

for majority rule but respects the rights of the minority. He pointed out how the handover occurred at the end of June as it was scheduled to. It, in fact, occurred 2 days early and sovereignty was returned to the country of Iraq.

He also pointed out that the Iraqi assembly met in that country and over 25 percent of the participants of that assembly were women, an event that was unprecedented prior. He pointed out that the elections will be held in January of next year, and with that, the completion, the turnover to sovereignty will be complete.

Mr. Speaker, he also pointed out that indeed, Iraq currently is the battlegrounds for those who are opposed to freedom. But, of course, Iraq is not the only battleground as we know all too well in this country.

Mr. Speaker, this past weekend I had the opportunity to travel to Moscow. The purpose of that visit with some other Members of Congress to visit with the children in the Federal Pediatric Hospital in Moscow. Children who had been present in the Beslan School Number One on the first day of school of this year.

This is Alan standing here with me. Alan is 11 years old and attended school that day only to find that there were people in the world who were capable of such an astonishing degree of hatred and cruelty that it left the rest of the world speechless. In fact, it is not known how many died in the gymnasium that day in Beslan, Russia, 300, perhaps more, over half of them children. And that has not been the only story in the country of Russia during this past month.

They have lost two planes and they had the bombing of a metro station in downtown Moscow. All in all, 500 deaths or more in the last 4 weeks in the country of Russia.

But, Mr. Speaker, what really moved me, what really tore at me was, again, the astonishing cruelty of these people who would direct their hatred towards an innocent individual like young Alan.

Mr. Speaker, Alan's mother called me back into his hospital's room after we took this picture and said, I want you to see what they pulled out of my son's chest. And here, Mr. Speaker, is a piece of metal that Alan had surgically removed after he came to the hospital in Moscow. It is of junk. It is a piece of metal that came from a landfill or a junkyard, but it is a small piece of metal as you can see. And these mines were packed full of metal this size so they would get maximum dispersion and cause maximum injury, inflict maximum pain on the most innocent members of society.

Mr. Speaker, let us not forget what we are up against. Let us not forget what the cost is in this global war that we are engaged in at this time. Let us not forget what we are fighting for. We are fighting for the innocents. The innocent in Iraq. The innocents in this

country and, indeed, the innocents in Russia.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. CONYERS) is recognized for 5 minutes.

(Mr. CONYERS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

MEDICARE PREMIUMS INCREASE FINANCES TO HMOS AND DRUG COMPANIES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. BROWN) is recognized for 5 minutes.

Mr. BROWN of Ohio. Mr. Speaker, the Bush administration recently announced that America's seniors will pay 17.4 percent more for Medicare coverage next year. It is no accident that they announced this piece of information late in the afternoon on Friday of Labor Day weekend. They simply hoped nobody would notice. But the largest premium hike in Medicare's history, the largest premium hike in the 38 years of Medicare is the sort of news you just cannot suppress. One senior advocate called it a hidden tax on seniors.

That hidden tax on seniors is a multi-billion dollar tax at that. That is big news and it is bad news for President Bush. But when faced with bad news, the Republican spin machine does what it always does. It tries to shift the blame. It is the Democrats, they said, President Bush rolled out his ad plan knowing this would happen, it is the Democrats that are responsible for the premium hike, even though the Republicans control the House, the Senate and the White House. But because that did not jibe with the facts, no one bought it then and no one buys it now.

Before the Bush Medicare bill became law, the nonpartisan Medicare trustees estimated that Medicare monthly premium would increase \$2 in 2005. After the Bush Medicare bill became law, the premium jumped to \$11.60.

□ 2030

Hence, the 17.4 percent increase. Those are the facts. No amount of sweet talk, misdirection, or spin from the Bush team can change those facts; but rather than take responsibility, the Bush team just changed its spin again. This time they said the premium, the record-setting 17.4 percent increase, the Bush administration says was a good deal for America's seniors because it financed new preventive benefits. Again, there are a few things the Bush administration did not tell us.

They forgot to say that the preventive benefits account for less than one-fourth of 1 percent of the premium increase. In other words, virtually nothing in the premium increase really